107TH CONGRESS
2nd Session

HOUSE OF REPRESENTATIVES

REPORT
107–436

BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003

R E P O R T

OF THE

COMMITTEE ON ARMED SERVICES HOUSE OF REPRESENTATIVES

ON

H.R. 4546

together with

ADDITIONAL AND DISSENTING VIEWS

[Including cost estimate of the Congressional Budget Office]

MAY 3, 2002.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Section 2862—Sale of Excess Treated Water and Wastewater Treatment Capacity, Marine Corps Base, Camp Lejeune, North Carolina

This section would permit the Secretary of the Navy to enter into an agreement that would allow Camp Lejeune, North Carolina, to provide treated water and wastewater treatment services to Onslow County, North Carolina, if the secretary determines that such an agreement is in the public interest and will not interfere with current or future utility needs at Camp Lejeune. The section would also require the county to reimburse the Navy for the fair market value of the services provided and specify that any amounts paid would be credited to the base operations and maintenance accounts of Camp Lejeune.

Section 2863—Ratification of Agreement Regarding Adak Naval Complex, Alaska, and Related Land Conveyances

This section would ratify an agreement made by the Secretary of the Interior, the Secretary of the Navy, and the Aleut Corporation in September 2000 concerning the reuse of the Adak Naval Complex, Alaska, and other related land conveyances. The agreement would provide that real estate on Adak Island withdrawn for use by the Secretary of the Navy may be transferred to the Aleut Corporation without regard to the requirements of section 1621 of title 42, United States Code, pertaining to lands in the Alaska Maritime National Wildlife Refuge. In return, the Aleut Corporation would agree to transfer to the Secretary of the Interior at least 36,000 acres of land suitable for inclusion in the Alaska Maritime National Wildlife Refuge. The committee believes that this agreement promotes the public interest by equitably preserving wildlife habitat and allowing the Secretary of the Navy to divest of unneeded real property.

Section 2864—Special Requirements for Adding Military Installations to Closure List

This section would amend section 3003 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107) to require that the base closure commission vote unanimously to add an installation to the list of bases being considered for closure and that at least two commissioners must visit any base ultimately recommended for closure.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

OVERVIEW

The budget request contained $15,434.0 million for the national security activities of the Department of Energy for fiscal year 2003. Of this amount, $8,038.7 million is for the programs of the Na-

tional Nuclear Security Administration and $7,395.2 million is for environmental and other defense activities. The committee recommends $15,400.9 million, the amount requested less $33.1 million for retirement accrual, representing an increase of $1,324.2 million from the amount authorized for fiscal year 2002. The following table summarizes the budget request and the committee recommendations.

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Atomic Energy Defense Activities (053)			
National Nuclear Security Administration:			
Weapons Activities	5,869,379	67,621	5,937,000
Defense Nuclear Nonproliferation	1,113,630	(39,000)	1,074,630
Naval Reactors	708,020	(1,230)	706,790
Office of the Administrator	347,705	(31,776)	315,929
Total, National Nuclear Security Administration	**8,038,734**	**(4,385)**	**8,034,349**
Environmental and Other Defense Activities:			
Defense Environmental Restoration and Waste Management	4,558,360	(14,227)	4,544,133
Defense environmental cleanup reform	800,000	-	800,000
Defense Facilities Closure Projects	1,091,314	-	1,091,314
Environmental Management Privatization	158,399	-	158,399
Other Defense Activities	472,156	(14,492)	457,664
Defense Nuclear Waste Disposal	315,000	-	315,000
Total, Environmental and Other Defense Activities	**7,395,229**	**(28,719)**	**7,366,510**
Total Atomic Energy Defense Activities	**15,433,963**	**(33,104)**	**15,400,859**

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
National Nuclear Security Administration:			
Weapons Activities			
Directed stockpile work			
Stockpile research and development	467,149	-	467,149
Stockpile maintenance	401,157	-	401,157
Stockpile evaluation	197,184	-	197,184
Dismantlement/disposal	24,378	-	24,378
Production support	137,706	-	137,706
Field engineering, training and manuals	6,893	-	6,893
Total, Directed stockpile work	1,234,467	-	1,234,467
Campaigns			
Science campaigns			
Primary certification	47,159	-	47,159
Dynamic materials properties	87,594	-	87,594
Advanced radiography			
Operations and maintenance	52,925	-	52,925
Secondary certification and nuclear systems margins	47,790	-	47,790
Total, Science campaigns	235,468	-	235,468
Engineering campaigns			
Enhanced surety	37,713	-	37,713
Weapons system engineering certification	27,007	-	27,007
Nuclear survivability	23,394	-	23,394
Enhanced surveillance	77,155	-	77,155

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Advanced design and production technologies	74,141	-	74,141
Total, Engineering campaigns	239,410	-	239,410
High energy density physics campaign			
Operations and maintenance	237,748	25,000	262,748
Construction:			
96-D-111 National ignition facility (NIF), LLNL, Livermore, CA	214,045	-	214,045
Total, High energy density physics campaign	451,793	25,000	476,793
Advanced simulation and computing			
Operations and maintenance	669,527	-	669,527
Construction:			
01-D-101 Distributed information systems laboratory, SNL, Livermore, CA	13,305	-	13,305
00-D-103, Terascale simulation facility, LLNL, Livermore, CA	35,030	-	35,030
00-D-105, Strategic computing complex, LANL, Los Alamos, NM	-	-	-
00-D-107 Joint computational engineering laboratory, SNL, Albuquerque, NM	7,000	-	7,000
Total, Construction	55,335	-	55,335
Total, Advanced simulation and computing	724,862	-	724,862

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Pit manufacturing and certification	194,484	-	194,484
Readiness campaigns			
Stockpile readiness	61,027	-	61,027
High explosives manufacturing and weapons assembly/disassembly readiness	12,093	-	12,093
Non-nuclear readiness	22,398	-	22,398
Materials readiness	-	-	-
Tritium readiness			
Operations and maintenance	56,134	-	56,134
Construction:			
98-D-125 Tritium extraction facility, Savannah River plant, Aiken, SC	70,165	-	70,165
Total, Tritium readiness	126,299	-	126,299
Total, Readiness campaigns	221,817	-	221,817
Total, Campaigns	2,067,834	25,000	2,092,834
Readiness in technical base and facilities			
Operations of facilities	949,920	45,000	994,920
Pantex		[+25,000]	
Y-12		[+20,000]	
Program readiness	208,089	-	208,089
Special projects	37,744	-	37,744
Material recycle and recovery	98,816	-	98,816
Containers	17,721	-	17,721

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Storage	14,593	-	14,593
Nuclear weapons incident response	91,000	-	91,000
Subtotal, Readiness in technical base and facilities	1,417,883	45,000	1,462,883
Construction:			
03-D-101 Sandia underground reactor facility SURF, SNL, Albuquerque, NM	2,000	-	2,000
03-D-103 Project engineering and design various locations	15,539	-	15,539
03-D-121 Gas transfer capacity expansion, Kansas City Plant, Kansas City, MO	4,000	-	4,000
03-D-122 Prototype purification facility, Y-12 plant, Oak Ridge, TN	20,800	-	20,800
03-D-123 Special nuclear materials Requalification, Pantex plant, Amarillo, TX	3,000	-	3,000
02-D-103 Project engineering and design, various locations	27,245	-	27,245
02-D-105 Engineering technology complex upgrade (ETCU), LLNL, Livermore, CA	10,000	-	10,000
02-D-107 Electrical power systems safety communications and bus upgrades,Nevada Test Site	7,500	-	7,500

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
01-D-103 Project engineering and design (PE&D), various locations	6,164	-	6,164
01-D-107 Atlas relocation and operations Nevada Test Site	4,123	-	4,123
01-D-108 Microsystem and engineering science applications (MESA), SNL, Albuquerque, NM	75,000	-	75,000
01-D-124 HEU storage facility, Y-12 plant, Oak Ridge, TN	25,000	-	25,000
01-D-126 Weapons Evaluation Test Laboratory Pantex Plant, Amarillo, TX	8,650	-	8,650
01-D-800 Sensitive compartmented information facility, LLNL	9,611	-	9,611
99-D-103 Isotope sciences facilities, LLNL, Livermore, CA	4,011	-	4,011
99-D-104 Protection of real property (roof reconstruction-Phase II), LLNL, Livermore, CA	5,915	-	5,915
99-D-106 Model validation & system certification center, SNL, Albuquerque, NM	-	-	-

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
99-D-108 Renovate existing roadways, Nevada Test Site, NV		-	-
99-D-125 Replace boilers & controls, Kansas City plant, Kansas City, MO	-	-	-
99-D-127 Stockpile management restructuring initiative, Kanas City plant, Kansas City, MO	29,900	-	29,900
99-D-128 Stockpile management restructuring initiative, Pantex plant, Amarillo, TX	407	-	407
98-D-123 Stockpile management restructing initiative, Tritium factory modernization and consolidation, Savannah River plant, SC	10,481	-	10,481
98-D-124 Stockpile management restructuring initiative, Y-12 consolidation, Oak Ridge, TN	-	-	-
97-D-123 Structural upgrades, Kansas City plant, Kansas City, KS	-	-	-
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	1,000	-	1,000

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Total, Construction	270,346	-	270,346
Total, Readiness in technical base and facilities	1,688,229	45,000	1,733,229
Facilities and infrastructure recapitalization program	242,512	-	242,512
Secure transportation asset			
Operations and equipment	100,863	-	100,863
Program direction	54,505	(2,379)	52,126
Total, Secure transportation asset	155,368	(2,379)	152,989
Safeguards and security			
Operations and maintenance	501,054	-	501,054
Construction:			
99-D-132 SMRI nuclear material safeguards and security upgrade project, LANL, Los Alamos, NM	8,900	-	8,900
Total, Safeguards and security	509,954	-	509,954
Subtotal, Weapons Activities	5,898,364	67,621	5,965,985
Program Direction		-	-
Adjustments			
Use of prior year balances (General reduction)	-	-	-
Less security charge for reimbursable work	(28,985)	-	(28,985)
Total, Weapons Activities	**5,869,379**	**67,621**	**5,937,000**

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Defense Nuclear Nonproliferation			
Nonproliferation and verification R&D			
Operation and maintenance	283,407	-	283,407
Construction:			
00-D-192 Nonproliferation and international security center (NISC), LANL	-	-	-
Total, Nonproliferation & verification R&D	283,407	-	283,407
Nonproliferation and international security	92,668	-	92,668
Nonproliferation programs with Russia			
International nuclear materials protection and cooperation	233,077	-	233,077
Russian transition initiatives	39,334	-	39,334
HEU transparency implementation	17,229	-	17,229
International nuclear safety	14,576	(3,000)	11,576
Elimination of weapons-grade plutonium production program	49,339	(30,000)	19,339
Fissile materials disposition			
U S surplus materials disposition	194,000	4,000	198,000
Russian surplus materials disposition	98,000	(10,000)	88,000
Program oversight		[-10,000]	
Construction:			
01-D-407 Highly enriched uranium (HEU) blend down, Savannah River, SC	30,000	-	30,000

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
99-D-141 Pit disassembly and conversion facility, Savannah River, SC	33,000	-	33,000
99-D-143 Mixed oxide fuel fabrication facility, Savannah River, SC	93,000	-	93,000
Total, Construction	156,000	-	156,000
Total, Fissile materials disposition	448,000	(6,000)	442,000
Total, Nonproliferation programs with Russia	801,555	(39,000)	762,555
Program direction	-	-	-
Subtotal, Defense Nuclear Nonproliferation	1,177,630	(39,000)	1,138,630
Adjustments:			
Use of prior year balances	(64,000)	-	(64,000)
Total, Defense Nuclear Nonproliferation	**1,113,630**	**(39,000)**	**1,074,630**
Naval Reactors			
Naval reactors development			
Operation and maintenance	671,290	-	671,290
Construction:			
03-D-201 Cleanroom technology facility Bettis Atomic Power Laboratory, West Mifflin, PA	7,200	-	7,200
01-D-200 Major office replacement building, Schenectady, NY	2,100	-	2,100
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	2,000	-	2,000
Total, Construction	11,300	-	11,300

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Total, Naval reactors development	682,590	-	682,590
Program direction	25,430	(1,230)	24,200
Total, Naval Reactors	**708,020**	**(1,230)**	**706,790**
Office Of The Administrator	347,705	(31,776)	315,929
CSRS		[11,776]	
Overhead		[20,000]	
Total, Office of the Administrator	**347,705**	**(31,776)**	**315,929**
Total, National Nuclear Security Administration	**8,038,734**	**(4,385)**	**8,034,349**
Environmental and Other Defense Activities			
Defense Environmental Restoration & Waste Management			
Site/project completion			
Operation and maintenance	779,706	-	779,706
Construction:			
02-D-402 Intec cathodic protection system expansion project, INEEL, Idaho Falls, ID	1,119	-	1,119
02-D-420 Plutonium packaging and stabilization, Savannah River, SC	2,000	-	2,000
01-D-414 Preliminary project, engineering and design (PE&D), various locations	5,125	-	5,125

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
99-D-402 Tank farm support services, F&H area, Savannah River Site, Aiken, SC	-	-	-
99-D-404 Health physics instrumentation laboratory, INEL, ID	-	-	-
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	-	-	-
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	-	-	-
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	-	-	-
Total, Construction	8,244	-	8,244
Total, Site/project completion	787,950	-	787,950
Post 2006 completion			
Operation and maintenance	1,702,241	-	1,702,241
Uranium enrichment D&D fund contribution	-	-	-
Construction:			
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC	14,870	-	14,870
Office of river protection			
Operation and maintenance	226,256	-	226,256

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Construction:			
03-D-403 Immobilized high-level waste interim storage facility, Richland, WA	6,363	-	6,363
01-D-416 Tank waste remediation system, RL	619,000	-	619,000
97-D-402 Tank farm restoration and safe operations, Richland, WA	25,424	-	25,424
94-D-407 Initial tank retrieval systems, Richland, WA	20,945	-	20,945
Total, Construction	671,732	-	671,732
Total, Office of river protection	897,988	-	897,988
Total, Post 2006 completion	2,615,099	-	2,615,099
Science and technology	92,000	-	92,000
Excess facilities	1,300	-	1,300
Multi-Site activities			
Uranium enrichment D&D fund contribution	442,000	-	442,000
Other activities	37,871	-	37,871
Total, Multi-Site activities	479,871	-	479,871
Safeguards and security	228,260	-	228,260
Program direction	358,227	(14,227)	344,000
Subtotal, Defense environmental restoration and waste management	4,562,707	(14,227)	4,548,480
Use of prior year balances	-	-	-

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
General reduction			
Less security charge for reimbursable work	(4,347)	-	(4,347)
Total, Defense Environmental Restoration And Waste Management	**4,558,360**	**(14,227)**	**4,544,133**
Environmental Management Cleanup Reform			
Environmental management cleanup reform	**800,000**	**-**	**800,000**
Defense Facilities Closure Projects			
Site closure	1,054,153	-	1,054,153
Safeguards and security	37,161	-	37,161
Total, Defense Facilities Closure Projects	**1,091,314**	**-**	**1,091,314**
Defense Environmental Management Privatization			
Privatization initiatives, various locations	158,399	-	158,399
Total, Defense Environmental Management	**6,608,073**	**(14,227)**	**6,593,846**
Other Defense Activities			
Energy security and assurance			
Energy security	23,411	-	23,411
Program direction	4,275	-	4,275
Total, Energy security and assurance	27,686	-	27,686

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
Office of Security			
Nuclear safeguards and security	91,102	-	91,102
Security investigations	45,870	-	45,870
Program direction	50,246	(1,703)	48,543
Chief information officer			
Corporate management information program	-	-	-
Total, Office of Security	187,218	(1,703)	185,515
Intelligence	41,559	(313)	41,246
Counterintelligence	46,083	(128)	45,955
Advanced accelerator applications	-	-	-
Independent oversight and performance assurance	22,615	(185)	22,430
Environment, safety & health			
Environment, safety and health (defense)	81,892	-	81,892
Program direction	18,018	(869)	17,149
Management efficiencies	-	(5,000)	(5,000)
Total, Environment, safety and health	99,910	(5,869)	94,041
Worker and community transition			
Worker and community transition	22,965	-	22,965
Program direction	2,809	(91)	2,718
Management efficiencies	-	(6,000)	(6,000)
Total, Worker and community transition	25,774	(6,091)	19,683

Title XXXI - Department of Energy National Security Programs

(Dollars in Thousands)

	FY 2003 Authorization Request	Committee Change from Request	FY 2003 Committee Recommendation
National security programs administration support	25,587	-	25,587
Office of hearings and appeals	3,136	(203)	2,933
Subtotal, Other defense activities	479,568	(14,492)	465,076
Adjustments:			
Use of prior year balances	(6,700)	-	(6,700)
Less security charge for reimbursable work	(712)	-	(712)
Total, Adjustments	(7,412)	-	(7,412)
Total, Other Defense Activities	**472,156**	**(14,492)**	**457,664**
Defense Nuclear Waste Disposal			
Defense nuclear waste disposal	315,000	-	315,000
Total, Environmental and Other Defense Activities	**7,395,229**	**(28,719)**	**7,366,510**
TOTAL, Atomic Energy Defense Activities	**15,433,963**	**(33,104)**	**15,400,859**

ITEM OF SPECIAL INTEREST

Full Funding for Retiree Costs in the Fiscal Year 2003 Budget Request

The Administration proposed legislation to require agencies, beginning in fiscal year 2003, to pay the full government share of the accruing cost of retirement for current Civil Service Retirement System (CSRS) employees and to pay the full accruing cost of post-retirement health benefits for current civilian employees who are enrolled in the Federal Employees Health Benefits Program (FEHB). At the present time, agencies pay about half of the employer's share for accruing benefits, and the remainder is covered by a mandatory general fund payment. The Administration's proposed change would require specific legislation to move the full government share to each agency's budget.

The committee understands that the appropriate committee with jurisdiction to initiate this change has declined to consider the required legislation and, therefore, recommends continuing the current practice of funding these benefits. The fiscal year 2003 budget request for the atomic energy defense activities of the Department of Energy (DOE) includes $33.1 million to fund this proposed change in the CSRS and the FEHB program. The following represents the total budget request for funding for CSRS and FEHB that has not been included in the committee's recommendation for the atomic energy defense activities of the Department of Energy:

PROGRAM

[In thousands of dollars]

National Nuclear Security Administration:	
Weapons Activities—Secure Transportation Asset program direction	2,379
Naval Reactors—program direction	1,230
Office of the Administrator	11,776
Environmental Management: Defense Environmental Restoration and Waste Management—program direction	14,227
Other Defense Activities:	
Office of Security—program direction	1,703
Intelligence	313
Counterintelligence	128
Independent oversight and performance assurance	185
Environmental, Safety and Health—program direction	869
Worker and community transition—program direction	91
Office of Hearings and Appeals	203
Total	33,104

NATIONAL NUCLEAR SECURITY ADMINISTRATION

Overview

The budget request contained $8,038.7 million for the National Nuclear Security Administration (NNSA) for fiscal year 2003. The committee recommends $8,034.3 million, representing an increase of $913.3 million from the amount authorized for fiscal year 2002.

ITEMS OF SPECIAL INTEREST

Adjustments to the budget request

The committee recommends $8,034.3 million for the National Nuclear Security Administration (NNSA), including reductions for retirement accrual, and makes adjustments to individual programs.

The budget request contained a record $5,869.4 million for Weapons Activities, including $1,234.5 million for directed stockpile work. The committee remains concerned that NNSA nuclear weapon life extension program goals are not properly matched to Department of Defense needs, as evidenced by life extension and modernization activities for the weapon systems, and the delivery vehicles designed to carry those warheads and bombs.

The budget request contained a record $1,113.6 million for Defense Nuclear Nonproliferation programs. The committee remains concerned that, as evidenced by a pattern of high unobligated balances, many international cooperative programs have been funded at a rate in excess of what the programs can effectively absorb.

Reductions

The budget request contained $14.6 million for international nuclear safety programs. The committee recommends $11.6 million, a reduction of $3.0 million. The committee cautions that other federal and international entities already have nuclear safety as a primary mission.

The budget request contained $49.3 million for the elimination of weapons-grade plutonium production program. The committee recommends $19.3 million, a reduction of $30.0 million. The committee notes that this program is being transferred from the Department of Defense's Cooperative Threat Reduction program, with $57.8 million in unobligated balances. The committee believes that NNSA's request for an additional $49.3 million in fiscal year 2003 is excessive, especially given that the Administration has no detailed plan for execution of the program, or even a formal agreement with the Russian Federation with regard to cost sharing and shut down of the reactors at Seversk and Zheleznogorsk.

The budget request contained $98.0 million for Russian surplus fissile materials disposition. The committee recommends $88.0 million, a reduction of $10.0 million specifically to program support and oversight in the United States. The committee notes that the budget request more than doubles funds for these activities in fiscal year 2003 to over one-third of the request for the program. The committee has cautioned NNSA in the past regarding excessive levies on international programs.

The budget request, less retirement accrual, contained $335.9 million for the Office of the Administrator. The committee recommends $315.9 million, a reduction of $20.0 million to hold this appropriation account to the comparable fiscal year 2002 level. The committee expects economies to result from the organizational streamlining and management efficiencies that Congress in large part created NNSA to effect.

Increases

The budget request contained $949.9 million in Readiness in Technical Base and Facilities for operations of facilities. The com-

mittee recommends $994.9 million, an increase of $45.0 million. The committee is aware of the poor condition of weapons complex infrastructure, particularly at the production plants, and the continuing need to address maintenance backlogs. The committee recommends $25.0 million for infrastructure maintenance and mission essential upgrades and replacements at the Pantex Plant. The committee recommends an additional $20.0 million for repairs of facilities and priority upgrades at the Y–12 Plant.

The budget request contained $451.8 million for the high energy density physics (HEDP) campaign, including $237.7 million for operations and maintenance, and $214.0 million for National Ignition Facility construction. The committee recommends $262.7 million, an increase of $25.0 million, for HEDP campaign operations and maintenance. The HEDP campaign comprises experimental programs directed towards developing data on the properties and behavior of matter under extreme conditions of temperature and pressure, and is critical to gaining a scientific understanding of how nuclear weapons work. Data developed in HEDP programs are used to validate computer simulations, which in turn are used to assess weapon characteristics, and excursions from nominal performance. In particular, the committee is concerned by reductions and terminations in the budget request of high technical quality programs such as the high average power laser program and the petawatt initiative.

The budget request contained $194.0 million for U.S. surplus materials disposition programs. The committee recommends $198.0 million, an increase of $4.0 million to investigate alternative technologies and fuel cycles for disposition of weapons grade plutonium excess to defense needs. The committee understands that the Administration has selected fabrication of mixed oxide fuel (MOX) for consumption in commercial power reactors as its baseline approach. However, the committee is aware that, in the longer term, other approaches such as fuel cycles based on thorium could offer significant advantages in terms of proliferation resistance and efficiency of plutonium consumption. The committee encourages NNSA to work with both the private sector and the Russian Federation to assess the technical feasibility and economic viability of thorium-based fuel cycles.

Federal workforce restructuring

A number of independent assessments have described federal management of the nuclear weapons complex as burdened by excessive, and in some cases duplicative, staffing.

In its 1999 Report on Security Problems at the U.S. Department of Energy, the President's Foreign Intelligence Advisory Board (PFIAB) described a management structure comprising "layer upon layer of bureaucracy" that made it nearly impossible to assign responsibility or accountability. The PFIAB singled out for special comment the field offices, which have been described as redundant "shadow headquarters," pressing their own agendas and priorities, concluding that the weapons labs reported to "far too many DOE masters". The PFIAB report was highly instrumental in triggering Congress to pass in 1999 the National Nuclear Security Administration Act, title XXXII of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65), leading to establishment

of a semi-autonomous agency within the Department to manage the weapons complex.

In its report NNSA Management: Progress in the Implementation of Title 32 dated December 12, 2001, GAO noted that long-standing issues of organizational roles and responsibilities remained unaddressed in a substantive way, and that NNSA reform efforts appeared to be losing momentum in some areas.

In its FY 2001 Report to Congress of the Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile of March 15, 2002, the Panel emphasized a continuing need to reduce duplicative and non-value added management practices, and correspondingly to implement significant reductions in NNSA staff. The Panel recommended that this smaller government organization focus on oversight and policy responsibilities, and "restore management responsibility, authority and accountability to the laboratory directors and plant managers for meeting requirements, standards, timelines, and budgets".

The committee concurs with these assessments. While NNSA's Report to Congress on the Organization and Operations of the National Nuclear Security Administration of February 25, 2002 appears to anticipate that "streamlined processes and redefined roles" will lead to a "significant reduction" in federal staff, the report provides no specifics on the size of the reductions or the timeline over which they will occur. In the meantime, the committee notes that justification materials submitted with the budget request show that federal staffing levels at NNSA have actually grown since fiscal year 2001. The committee strongly urges the Administrator to move forward decisively and expeditiously with a restructuring of the NNSA federal workforce, and start NNSA on the path to realizing the organizational streamlining and management efficiencies Congress intended in passing the NNSA Act in 1999.

Foster Panel Assessment of NNSA Reform Efforts

The last underground test of a nuclear weapon at the Nevada Test Site occurred a decade ago. Since that time the United States has observed a moratorium on testing, relying instead on a science-based stewardship program to certify the continued viability of the nation's nuclear stockpile. Concerns regarding the efficacy of this approach led Congress in 1998 to establish a panel to assess the process for certifying the safety, reliability and performance of nuclear weapons in the absence of testing. Section 3159 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) established the Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile (commonly know as the Foster Panel after its chairman, Dr. John S. Foster). The Panel, established for a period of three years, has consistently noted in its annual reports "* * * the disturbing gap between the nation's policy that maintaining a safe and reliable nuclear stockpile is a supreme national interest and the actions taken to support this policy". The committee has benefited greatly from the Panel's independent assessments, and expresses its appreciation for the contributions to national security of its members.

In 1999, Congress fundamentally restructured how the Department of Energy manages defense nuclear activities. Title 32 of the National Defense Authorization Act for Fiscal Year 2000 (Public

Law 106–65), the National Nuclear Security Administration Act, established a semi-autonomous NNSA within DOE. In passing the Act, Congress intended to address significant and long-standing problems relating to DOE's management of defense nuclear programs by establishing an organization that would be responsible for, and accountable for, management of the nation's nuclear stockpile and related programs. NNSA was statutorily established over two years ago, on March 1, 2000. The committee has been fortunate that the Panel's tenure has included the first two years of NNSA's organizational life.

In standing up and staffing a new organization, Congress has provided a rare opportunity to address the difficult and important problems that have confounded efforts to properly manage the nation's nuclear stockpile. On March 15, 2002, the Foster Panel submitted its fiscal year 2001 report to Congress—Expectations for the U.S. Nuclear Stockpile Stewardship Program. In it, the Panel notes that some progress has been made. However, the report also states:

> There remains an urgent need for NNSA to address the fundamental problems that Congress created it to correct. The start-up phase is now over. If NNSA cannot within the current year achieve the autonomy and provide the leadership Congress intended, it is appropriate for Congress to revisit other options for managing the nuclear weapons program.

The committee concurs with this assessment.

The committee regards the current year as a watershed, during which NNSA's organizational and management reform efforts are likely to succeed or fail. Because of the value the committee places on independent assessment, and the critical need for attaining a functional nuclear weapons complex, the committee, in Section 3141, extends the termination date of the Panel to April 1, 2003.

Pit Manufacturing and Certification Campaign

The budget request contained $194.5 million for plutonium pit manufacturing and certification programs. The committee recommends the budget request.

The United States remains the only nuclear power without the ability to produce all the components of a nuclear weapon. In particular, the United States has not produced a plutonium pit, a critical weapon component, since manufacturing operations ceased at Rocky Flats in 1989. The goal of the manufacturing campaign is to produce a certifiable W88 pit in fiscal year 2003, and establish a limited production capability of 10 pits per year at Los Alamos National Laboratory by 2007. The National Nuclear Security Administration intends to be able to certify a W88 pit without underground testing by fiscal year 2009, with a goal of sooner achieving this capability in 2007.

The campaign as described above is designed to meet a limited need for W88 surveillance pits for destructive evaluation purposes. Ultimately the nation will require the ability to produce replacement pits at a far higher rate in order to meet the needs of the enduring stockpile. While the effects of aging, and consequently the lifetime of pits, are not known with certainty, and international agreements may further affect requirements for new pits, the com-

mittee believes that prudence dictates a need to proceed immediately, with preliminary steps to re-establish a large scale pit production facility, especially given that site selection and permitting will likely entail an extended process. The committee is somewhat concerned that the budget request of $2.0 million for design of a modern pit facility, half that appropriated in fiscal year 2004, is not commensurate with the seriousness of the need.

Robust nuclear earth penetrator

The committee understands that the NNSA intends to reprogram $7.0 million of fiscal year 2002 funds, and requests $15.0 million in fiscal year 2003, to begin formal design studies for a robust nuclear earth penetrator (RNEP). The 6.2/6.2a design study has been approved by the Nuclear Weapons Council with a cost to completion of $46.0 million, and will involve repackaging of an existing stockpile warhead. The committee understands that RNEP is not a new design, is not a low yield "mini nuke", and is not "clean" in the sense that fallout and collateral damage can be contained. Consequently the committee does not believe that RNEP represents a significant departure from current stockpile weapons. The committee expects to be informed of any changes to the parameters of this study.

Stockpile certification

In 1995 the President established a requirement for annual certification of the nuclear stockpile. The committee believes this annual certification, including an assessment of the need to resume underground tests, provides a valuable measure of the health of the nation's strategic deterrent. In section 3144, the committee has taken action to strengthen this certification process by requiring an assessment of other factors that have strong bearing on the certification process, including the adequacy of the tools and methods on which those certifications are based, and the ability of the weapons complex infrastructure to detect and resolve problems in the stockpile. The committee has also taken measures to strengthen peer review in the certification process.

Test readiness

The President has stated that resumption of underground nuclear testing is not required at this time, and the Administration continues to observe the moratorium on nuclear testing. As reflected in justification materials submitted to Congress in support of the President's fiscal year 2003 budget request, the policy of the NNSA is to be capable of resuming underground testing within two to three years, should the President determine that such tests are necessary. The NNSA Administrator has stated that the current test readiness posture of the weapons complex is closer to three years.

The most recent Nuclear Posture Review, submitted to Congress by the Department of Defense on January 8, 2002, supports reduction of the Department of Energy's test readiness lead-time.

In its fiscal year 2001 report to Congress submitted on March 15, 2002, the Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile recommends a test readiness of 3 months to a year depending on the type of test. The Panel

notes that the test "pedigree" of existing weapons is deteriorating with time, and that prudence dictates that the President should have a "realistic option" to resume nuclear testing if technical or political events so require.

The committee concurs with these recommendations. The committee believes that test readiness could be greatly enhanced by, among other actions, planning for specific tests, conducting site preparation activities, laying in diagnostics, and maintaining test articles at the Nevada Test Site. Section 3145 requires the Secretary of Energy, in consultation with the NNSA Administrator, to develop and report to Congress on a plan and budget to achieve a one-year readiness posture within one year of a decision to do so.

Tritium readiness campaign

The budget request contained $126.3 million for the tritium readiness campaign. The committee recommends the budget request.

Tritium is a perishable radioactive element that is essential to the proper functioning of stockpile weapons, and consequently must periodically be replaced. The United States has not had the capability to produce tritium since 1988, and has relied on reserves, and tritium recovered and recycled from dismantled weapons, to maintain the stockpile. The committee understands that the tritium readiness campaign is on schedule to begin irradiation of tritium producing bars in commercial light water reactors at Watts Bar and Sequoyah in fiscal year 2003, and to begin production extraction for the stockpile in fiscal year 2006 at the Savannah River Site. The committee urges the National Nuclear Security Administration to continue to maintain the schedule for this critical project.

Environmental and Other Defense Activities

Overview

The budget request contained $7,395.2 million for environmental and other defense activities for fiscal year 2003. The committee recommends $7,366.5 million, including reductions for retirement accrual, representing an increase of $410.9 million from the amount authorized for fiscal year 2002.

Items of Special Interest

Adjustments to the Budget Request

The budget request, less retirement accrual, contained $99.0 million for Other Defense Activities environment, safety, and health (ES&H) programs. The committee recommends $94.0 million, a reduction of $5.0 million. The committee notes that the budget had increased in recent years to accommodate administrative functions associated with assessment and compensation programs that should present a relatively short term increase in funding requirements, and that other worker health studies should be nearing completion.

The budget request, less retirement accrual, contained $25.7 million for Other Defense Activities worker and community transition programs. The committee recommends $19.7, a reduction of $6.0 million to hold these programs to fiscal year 2002 levels.

Environmental management cleanup reform program

The budget request contained $800.0 million to establish a new environmental management cleanup reform program. This new program is designed to provide the vehicle for implementing the recommendations of the Department of Energy's recently completed "top to bottom review" of its environmental management programs (EM). As structured today, this review concluded that the EM program now has a life cycle cost of $220 billion and, that without significant change in business processes, the cost estimate could easily increase to more than $300 billion. In fact only about one-third of the EM program budget is going toward actual cleanup and risk reduction work. The remainder is spent on maintenance, fixed costs, and other activities required to support safety and security. Not only have the dollar estimates proven to be overly optimistic, the schedule estimates have followed a similar path. Numerous sites are already unable to meet their commitments as outlined in an earlier 1998 Departmental report. Moreover, the three largest sites—Savannah River, Idaho National Engineering and Environmental Laboratory, and Hanford—have such long term completion dates (2038, 2050, and 2070, respectively) that the estimates for cost and schedule are highly uncertain and subject to change. The reality of an extended cleanup schedule is that eventually it could lead to more prolonged and potentially severe public health and environmental risks.

With these facts not in dispute, it was critical for the Department to seek alternative cleanup approaches that would be designed to produce more real risk reduction, accelerated cleanup, and cost and schedule improvements. This new program is established for the purpose of meeting these goals. Evidence does suggest that a program can be turned around if a site can adopt an approach similar to that taken at Rocky Flats, Colorado. By adopting a risk based management approach, combined with a clear mission, a culture of urgency, and a performance based contract, the cleanup at Rocky Flats is now scheduled to be completed 50 years ahead of schedule and $30 billion below the original baseline. The goal of the new program is in essence to take the successes at Rocky Flats and apply those principles complex-wide.

Under this new cleanup reform program it is contemplated that the Department will work with the States and federal regulators with a goal of reaching an agreement on an accelerated and risk-based cleanup—a cleanup that eliminates unneeded activities. Once an agreement or "site performance management plan" is reached and a new cost savings and funding profile is established for the acceleration or alternate cleanup strategy, funds will be made available from the EM Cleanup Reform account to fund or supplement existing funding of a site's base budget. The committee expects that the site's entire budget for cleanup will be used for activities addressed and agreed to in the site performance management plan. Finally, this new program is designed to ensure that constant or greater funding levels are available to those States whose cooperative efforts lead to greater and faster risk reduction. In that regard, the committee understands that the Department has been in initial discussions with state officials representing the sites most affected by this new program. As a result of these discussions, the committee has been advised that a "letter of intent"

has been signed with the State of Washington to accelerate cleanup at that state's Hanford site. The agreement proposes an allocation of approximately $433.0 million from this new cleanup reform account. This agreement, if and when it is fully implemented, would accelerate cleanup by 35–45 years and result in cost savings of $33 billion over the current projected costs. The committee understands that negotiations with the State of South Carolina are moving rapidly toward a similar agreement. The committee understands that this agreement, if finalized, will result in a substantial monetary increase above the site's base budget for fiscal year 2003 of $961.1 million and at the same time result in an accelerated cleanup and risk reduction. The committee is encouraged by these efforts and urges other sites to develop proposals for an accelerated and risk-based cleanup.

LEGISLATIVE PROVISIONS

SUBTITLE A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

Section 3101—National Nuclear Security Administration

This section would authorize funds for the National Nuclear Security Administration for fiscal year 2003, including funds for weapons activities, defense nuclear nonproliferation programs, naval reactors programs, and the Office of the Administrator.

Section 3102—Environmental and Other Defense Activities

This section would authorize funds for environmental and other defense activities for fiscal year 2003, including funds for defense environmental restoration and waste management, defense environmental management cleanup reform, defense facilities closure projects, defense environmental management privatization, other defense activities, and defense nuclear waste disposal.

SUBTITLE B—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS GENERAL PROVISIONS

Section 3120—Short Title; Definitions

This section would designate this subtitle as the "Department of Energy National Security Authorizations General Provisions Act". This Act will make permanent law certain recurring provisions governing the use of funds authorized for national security programs of the Department of Energy. This section would also define the terms "DOE national security authorization", "congressional defense committee", and the term "minor construction project".

Section 3121—Reprogramming

This section would prohibit the reprogramming of funds in excess of the amount authorized for the program until the Secretary of Energy has notified the congressional defense committees and a period of 30 days has elapsed after the date on which the notification is received.

Section 3122—Minor Construction Projects

This section would limit the initiation of a minor construction project if the current estimated cost for the project exceeds $5.0 million, and would require the Secretary of Energy to notify the congressional defense committees in the event the estimated cost of any project exceeds $5.0 million and the reasons for the cost variation.

Section 3123—Limits on Construction Projects

This section would permit the initiation and continuation of any construction project only if the estimated cost for the project does not exceed 125 percent of the higher of: (1) the amount authorized for the project; or (2) the most recent total estimated cost presented to Congress as justification for such project. To exceed this limit, the Secretary of Energy must report in detail the reason therefore to the congressional defense committees and the report must be before the committees for 30 legislative days. This section would also specify that the 125 percent limitation would not apply to projects estimated to cost under $5.0 million.

Section 3124—Fund Transfer Authority

This section would authorize the Secretary of Energy to transfer funds to other agencies of the government for performance of work for which funds were authorized and appropriated. The provision would permit the merger of such funds with the funds made available to the agency to which they are transferred.

Section 3125—Authority for Conceptual and Construction Design

This section would require the Secretary of Energy to certify that a conceptual design for a construction project has been completed prior to requesting funding for that project, except in the case of emergencies.

Section 3126—Authority for Emergency Planning, Design, and Construction Activities

This section would authorize the Secretary of Energy to perform planning and design for construction activities utilizing available funds for any Department of Energy national security program whenever the Secretary determines that the design must proceed expeditiously to protect the public health and safety, to meet the needs of national defense, or to protect property.

Section 3127—Funds Available for all National Security Programs of the Department of Energy

This section would authorize, subject to section 3121 of this act, amounts appropriated for management and support activities and for general plant projects to be made available for use in connection with all national security programs of the Department of Energy.

Section 3128—Availability of Funds

This section would allow funds authorized for atomic energy activities of the Department of Energy to remain available until ex-

pended, except for amounts appropriated for the National Nuclear Security Administration pursuant to a DOE national security authorization. Amounts appropriated for the Office of the Administrator for Nuclear Security will remain available until the end of that fiscal year and all other amounts appropriated to the National Nuclear Security Administration will remain available for a total of three fiscal years.

Section 3129—Transfer of Defense Environmental Management Funds

This section would provide the manager of each field office of the Department of Energy with limited authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

Section 3130—Transfer of Weapons Activities Funds

This section would provide the manager of each field office of the Department of Energy with limited authority to transfer weapons activities funds from a program or project under the jurisdiction of the office to another such program or project.

Section 3131—Scope of Authority to Carry Out Plant Projects

This section would clarify that the authority of the Secretary of Energy to carry out plant projects includes authority for maintenance, restoration, planning, construction, acquisition, modification of facilities, and continuation of projects authorized in prior years, and related land acquisition.

SUBTITLE C—PROGRAM AUTHORIZATIONS, RESTRICTIONS, AND LIMITATIONS

Section 3141—One-year Extension of Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile

This section would extend the statutory termination date of the Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile (also known as the Foster Panel) to April 1, 2003. The section would also require an additional report from the Panel on February 1, 2003.

Section 3142—Transfer to National Nuclear Security Administration of the Department of Defense's Cooperative Threat Reduction Program Relating to Elimination of Weapons Grade Plutonium in Russia

This section would transfer the Cooperative Threat Reduction program relating to elimination of weapons grade plutonium production in Russia from the Department of Defense (DOD) to the National Nuclear Security Administration (NNSA) of the Department of Energy. The section would transfer specified assets of the program to the NNSA, including any unexpended balances of appropriations. The provision would not remove program limitations or restrictions, including the period of availability of funds for obli-

gation. The section would also transfer responsibility for obligations under federal law from officers of DOD to those of NNSA.

Section 3143—Repeal of Requirement for Reports on Obligations of Funds for Programs on Fissile Materials in Russia

This section repeals a duplicative reporting requirement related to programs to improve the protection, control, and accountability of fissile materials in Russia.

Section 3144—Annual Certification to the President and Congress on the Condition of the United States Nuclear Weapons Stockpile

This section would require an annual certification to the President and Congress on the safety, reliability, and performance of each nuclear weapon type in the active stockpile of the United States. The certifications would be required from the directors of the National Laboratories and the commander of United States Strategic Command for each weapon type for which they are responsible. The section would also require a report from the aforementioned on other matters related to the certifications, including an assessment of the need for the United States to resume underground nuclear testing, and would require the National Laboratory directors to use certain "red team" procedures for the certification process. The section would require the submission of the certifications and reports to the Secretaries of Defense and Energy, as appropriate, by January 15th of each year, and would require that the Secretaries forward the certifications and reports unchanged to the President and Congress not later than February 1st of each year.

Section 3145—Plan for Achieving One-Year Readiness for Resumption by the United States of Underground Nuclear Weapons Tests

This section would require the Secretary of Energy to submit to Congress with the fiscal year 2004 budget request a report on a plan and a budget to enhance underground nuclear test readiness. The report would detail the plan and budget required to achieve a one-year readiness posture for resumption of underground nuclear weapons tests. A one-year readiness posture is the capability of the Department of Energy to resume underground tests not later than one year after so directed by the President, should the President determine that such tests are necessary. The provision would require that the plan and budget provide for attainment of a one-year readiness posture within one year of a decision to execute the plan.

SUBTITLE D—PROVISIONS RELATING TO DEFENSE ENVIRONMENTAL MANAGEMENT

Section 3151—Defense Environmental Management Cleanup Reform Program

This section would require the Secretary of Energy to carry out a program to reform the Department's environmental management activities using the funds authorized in section 3102(a)(2) of this act. The Secretary would be authorized to transfer funds to each site upon the execution of a site performance management plan

and upon its submission to the congressional defense committees. The site performance management plan for a site is defined as a plan, agreed to by the applicable federal and state agencies with regulatory jurisdiction with respect to the site, that provides for the performance of activities that will accelerate the reduction of environmental risk and will also accelerate the environmental cleanup at the site. Upon the transfer and merger of the funds, all funds in the merged account are available only to carry out the site performance management plan at the site.

Section 3152—Report on Status of Environmental Management Initiatives to Accelerate the Reduction of Environmental Risks and Challenges Posed by the Legacy of the Cold War

This section would require the Secretary of Energy to prepare a report on the status of the management initiatives recommended in the Department's report entitled "Top-to-Bottom Review of the Environmental Management Program" and dated February 4, 2002. Specifically, this report is to address the progress being made in streamlining risk reduction processes, contract management, acquisition strategy, and consolidation of special nuclear materials. This section would require the report to be submitted to the congressional defense committees with the submission of the Department's budget justification materials for fiscal year 2004.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

ITEM OF SPECIAL INTEREST

Full Funding for Retiree Costs in the Fiscal Year 2003 Budget Request

The Administration proposed legislation to require agencies, beginning in fiscal year 2003, to pay the full government share of the accruing cost of retirement for current Civil Service Retirement System (CSRS) employees and to pay the full accruing cost of post-retirement health benefits for current civilian employees who are enrolled in the Federal Employees Health Benefits Program (FEHB). At the present time, agencies pay about half of the employer's share for accruing benefits, and the remainder is covered by a mandatory general fund payment. The Administration's proposed change would require specific legislation to move the full government share to each agency's budget. The committee understands that the appropriate committee with jurisdiction to initiate this change has declined to consider the required legislation and, therefore, recommends continuing the current practice of funding these benefits. The fiscal year 2003 budget request for the Defense Nuclear Facilities Safety Board includes $0.5 million to fund this proposed change in the CSRS and the FEHB program. The committee recommendation does not include this amount.

LEGISLATIVE PROVISIONS

Section 3201—Authorization

This section would authorize $19.0 million for the Defense Nuclear Facilities Safety Board for fiscal year 2003.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS

Section 3301—Authorized Uses Of Stockpile Funds

This section would authorize $76.4 million from the National Defense Stockpile Transaction Fund for the operation and maintenance of the National Defense Stockpile for fiscal year 2003. The provision would also permit the use of additional funds for extraordinary or emergency conditions 45 days after a notification to Congress.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

LEGISLATIVE PROVISIONS

Section 3401—Authorization of Appropriations

This section would authorize $21.1 million for fiscal year 2003 for the operation of the Naval Petroleum and Oil Shale Reserves.

TITLE XXXV—MARITIME ADMINISTRATION

ITEMS OF SPECIAL INTEREST

Full Funding for Retiree Costs in the Fiscal Year 2003 Budget

The Administration proposed legislation to require agencies, beginning in fiscal year 2003, to pay the full Government share of the accruing cost of retirement for current Civil Service Retirement System (CSRS) employees and to pay the full accruing cost of post-retirement health benefits for current civilian employees who are enrolled in the Federal Employees Health Benefits Program (FEHB). At the present time, agencies pay about half of the employer's share for accruing benefits, and the remainder is covered by a mandatory general fund payment. The Administration's proposed change would require specific legislation to move the full Government share to each agency's budget.

The committee understands that the appropriate committee with jurisdiction to initiate this change has declined to consider the required legislation and, therefore, recommends continuing the current practice of funding these benefits. The fiscal year 2003 budget request included $4.4 million dollars for the Maritime Administration to fund this proposed change in the CSRS and the FEHB program. The following represents the total budget request for funding for CSRS and FEHB that has not been included in the committee's recommendation for the Maritime Administration.

[In thousands of dollars]

Operations and Training	4,089